

Amendment No. 1 to SB1197

Bailey  
Signature of Sponsor

**AMEND Senate Bill No. 1197**

**House Bill No. 1173\***

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 2, is amended by adding the following as a new section:

(a) As used in this section:

(1) "Funeral director" means an individual who is:

(A) Engaged in the practice of funeral directing, as defined in § 62-5-101; and

(B) Licensed pursuant to § 62-5-305;

(2) "Funeral establishment" has the same meaning as defined in § 62-5-101;

(3) "Life insurance" has the same meaning as defined in § 56-2-201; and

(4) "Life insurer" means an entity that writes, issues, or otherwise provides life insurance contracts in this state, including an insurance company, annuity company, or trust company.

(b)

(1) A funeral director or funeral establishment providing funeral services for a deceased person insured or believed to be insured under a contract of life insurance or under a group life insurance policy may request information regarding the deceased person's life insurance contracts by providing a life insurer with:

(A) Information of a notification of death;

(B) Written authorization from the person or persons with legal authority to direct disposition of the deceased's body pursuant to §§ 62-5-703 - 62-5-706; and

(C) In the case of a person covered or believed to be covered under a group life insurance policy, the affiliation of the deceased entitling the deceased to coverage under the group life insurance policy.

(2) Information required by subdivisions (b)(1)(A)-(C) must be provided to a designated email address provided by the life insurer on its website or in another manner prescribed by the life insurer.

(c) Notwithstanding statutes or rules related to protecting personal financial information, a funeral director or funeral establishment may make an inquiry regarding the following for purposes of compliance with this section:

(1) The existence of a contract insuring the life of the deceased person;

(2) Confirmation that the person who signed the form is or is not a beneficiary on record under any life insurance contract insuring the life of the deceased person; and

(3) Confirmation that the life insurance policy may or may not be of a benefit amount that will cover the planned funeral arrangements.

(d) The life insurer shall provide the information requested pursuant to this section to the funeral director or funeral establishment no later than five (5) business days after receiving all of the information required by subsection (b).

(e) Information provided by the life insurer does not require the life insurer to pay such proceeds in a manner other than required pursuant to the contract of life insurance.

(f) The life insurer must be held harmless for information provided pursuant to this statute, including, but not limited to, whether the policy proceeds are collateral for an outstanding loan, are otherwise committed, or are not available to pay or cover the funeral expenses.

(g) If the life insurer fails to provide the information requested pursuant to subsection (b), then the funeral director or funeral establishment may file a complaint with the department. The complaint must include all the information provided to the life insurer under subsection (b) as well as copies of all communications and information received from the life insurer regarding the request for information.

(h) The funeral director or funeral establishment must inform all beneficiaries and each person with legal authority to direct disposition of the deceased's body in writing in bold print that the beneficiary of a life insurance policy has no legal duty or obligation to spend all or a portion of the life insurance policy money on the funeral, debts, or obligations of the deceased before discussing the financial arrangements for burial of the deceased.

(i) This section does not preempt or alter the terms of a contract for life insurance, and information provided by the life insurer does not affect or waive contractual requirements under or defenses to the claim.

SECTION 2. This act takes effect January 1, 2024, the public welfare requiring it.